

# **710G - DHS - Division of Medical Services**

## **Final Progress Report for the reporting period July 1, 2003 - June 30, 2004**

### **Section I. Agency Update and Assessment**

**1. Emerging Issues at the Federal (National) or State level affecting the agency.**

The temporary increase in FMAP ended June 30, 2004, thus increasing the state match requirement for SFY 2005.

**2. Status of any new initiatives funded from General Revenue or General Improvement funds in the 2003 Legislative Sessions and other changes made through General Legislation.**

No new initiatives.

**3. Discuss significant factors internal and external to the agency affecting agency performance.**

Nothing as of this date.

**4. Provide comments on the usefulness and reliability of performance measures.**

No comments at this time.

**5. Discuss significant uses of line item flexibility in this report period (agencies operating under Performance-Based Appropriations only).**

Not applicable.

**Section II. Performance Indicators****Program 1: Administration**

**Goal 1:** To provide administrative support for the Division of Medical Services.

**Objective 1:** To provide administrative services necessary to effectively carry out the State Medicaid Plan including planning, policy development and fiscal administration

Measure

| <u>Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u>                     | <u>FY04<br/>Actual</u>                            | <u>Comments</u> |
|---------------|--|--|---|-----------------|
| 1             | Number of Prior year audit findings repeated in subsequent audit.  | 0  | 1   |                 |
| 2             | Consumer satisfaction rate per biannual survey   |  | N/A   |                 |
| 3             | Continued Federal Approval   | Yes                                      | Yes   |                 |
| 4             | Program savings including identification of overpayments and cost avoidance as a percentage of the costs of utilization review and TPL activities. | 100%                                     | 192.86%   |                 |
| 5             | Percentage of LTC Complaints Investigated within regulatory timeframes compared to total complaints.   | 90%                                      | 45%   | See note below  |
| 6             | Percentage of agency performance measures met.   | 90%                                      | 91.18%  |                 |
| 7             | Percentage of agency staff and budget in the Administration Program compared to total agency positions and budget.                                 | 4%/19% with contract/4% without contract | 3.39%/16.69% with contract/4.15% without contract |                 |

**Comments on performance matters related to Objective 1:**

The goal for investigation of complaints within required timeframes has changed significantly by Federal mandate. Due to these mandates, 70% of all complaints received during the reporting period must be investigated within 10 days. This requirement is impossible to achieve given the number of vacant nurse surveyor positions and the lack of certified surveyor personnel needed to investigate complaints within required timeframes. It is requested that the goal be adjusted to 65% each year. DMS will continue to make efforts to improve toward achieving 65%.

**Program 1: Administration**

**Goal 1:** To provide administrative support for the Division of Medical Services.

**Objective 2:** To provide quality an accurate DMS Management Information Systems platform, information technology, and support services to maximize system accessibility for DMS staff and providers

Measure

| <u>Number</u> | <u>Performance Indicators</u>   | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------|---|----------------------|------------------------|-----------------|
| 1             | Continued Federal Approval of the MMIS  | Yes                  | Yes                    |                 |
| 2             | Number of agency proprietary systems maintained by agency staff or maintained through contractual services. | 1                    | 1                      |                 |
| 3             | Agency information technology budget as a percent of total agency budget.                                   | 55%                  | 1.19%                  | See note below. |

**Comments on performance matters related to Objective 2:**

Target was based on DMS IT budget as a percentage of the DHS IT budget. It has been determined that this PI should be DMS IT budget as a percentage of DMS Total budget.

**Program 1: Administration**

**Goal 1:** To provide administrative support for the Division of Medical Services.

**Objective 3:** To continue to implement Utilization Review and Field Audit Activities to insure compliance with federal and state regulations and policy, monitor the quality of services delivered, authorize necessary medical services, and identify possible fraud and abuse.

Measure

| <u>Number</u> | <u>Performance Indicators</u>   | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------|---|----------------------|------------------------|-----------------|
| 1             | Recipient participation as a percentage of the total Medicaid program enrollees         | 81%                  | 96.49%                 | See note below. |
| 2             | Percent of counties with Primary Care Physician (PCP) to provide services to enrollees. | 100%                 | 100%                   |                 |
| 3             | Percentage of prior approvals completed for program services requiring prior approval   | 100%                 | 100%                   |                 |

**Comments on performance matters related to Objective 3:**

Participation based on data from Federal report HCFA - 2082 which includes capitation payments as participation.

**Program 1: Administration**

**Goal 1:** To provide administrative support for the Division of Medical Services.

**Objective 4:** To ensure that the health and safety of the public is promoted and safeguarded through proper licensing, certification and oversight of Long-Term Care facilities

Measure

| <u>Number</u> | <u>Performance Indicators</u>   | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------|---|----------------------|------------------------|-----------------|
| 1             | Percentage of LTC Facilities Surveyed annually in accordance with regulations compared to total LTC facilities. | 82%                  | 91.27%                 |                 |

**Comments on performance matters related to Objective 4:**

**Program 2: Prescription Drugs**

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 1:** To provide eligible recipients in the prescription Drug Program with necessary prescriptions while assuring improved pharmaceutical cost controls measures

**Measure**

| <u>Number</u> | <u>Performance Indicators</u>   | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------|---|----------------------|------------------------|-----------------|
| 1             | Percentage of Recipients receiving medically necessary prescriptions        | 100%                 | 100%                   |                 |
| 2             | Percentage of Drug Rebates compared to total prescription drug expenditures | 17%                  | 20.48%                 |                 |
| 3             | Percentage of prescription drugs filled with generic drugs.                 | 48%                  | 45.11%                 |                 |

**Comments on performance matters related to Objective 1:**

**Program 2: Prescription Drugs**

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 2:** To provide eligible recipients in the ARKids First Program with necessary prescriptions while assuring improved pharmaceutical cost controls measures

## Measure

| <u>Number</u> | <u>Performance Indicators</u>   | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------|---|----------------------|------------------------|-----------------|
| 1             | Percentage of Recipients receiving medically necessary prescriptions        | 100%                 | 100%                   |                 |
| 2             | Percentage of Drug Rebates compared to total prescription drug expenditures | 17%                  | 20.48%                 |                 |
| 3             | Percentage of prescription drugs filled with generic drugs.                 | 48%                  | 34.99%                 |                 |

**Comments on performance matters related to Objective 2:**

**Program 2: Prescription Drugs**

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 3:** To provide eligible recipients under the prescription drug waiver for the elderly with necessary prescriptions while assuring improved pharmaceutical cost controls measures

**Measure**

| <u>Number</u> | <u>Performance Indicators</u>   | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------|---|----------------------|------------------------|-----------------|
| 1             | Percentage of Recipients receiving medically necessary prescriptions        | 100%                 | Not Implemented        |                 |
| 2             | Percentage of Drug Rebates compared to total prescription drug expenditures | 17%                  | Not Implemented        |                 |
| 3             | Percentage of prescription drugs filled with generic drugs.                 | 48%                  | Not Implemented        |                 |

**Comments on performance matters related to Objective 3:**



**Program 3: Long Term Care**

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 1:** To provide appropriate Medicaid reimbursement for residents of Public Nursing Home facilities

| <u>Measure Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u> | <u>FY04 Actual</u> | <u>Comments</u>  |
|-----------------------|--|----------------------|--------------------|--|
| 1                     | Average Monthly recipient Caseload - Public Nursing Homes                | 1,660                | 1,520              | Target and Final are Unduplicated count, not average monthly |
| 2                     | Average Monthly cost per Medicaid eligible client - Public Nursing Homes | \$6,122              | \$6,729            |  |

**Comments on performance matters related to Objective 1:**

**Program 3:** Long Term Care

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 2:** To provide appropriate Medicaid reimbursement for residents of Private Nursing Home facilities

| <u>Measure<br/>Number</u> | <u>Performance Indicators</u>   | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u>  |
|---------------------------|---|----------------------|------------------------|--|
| 1                         | Average Monthly recipient Caseload - Private Nursing Homes                | 20,036               | 19,432                 | Target and Final are Unduplicated count, not average monthly |
| 2                         | Average Monthly cost per Medicaid eligible client - Private Nursing Homes | \$1,919              | \$1,907                |  |

**Comments on performance matters related to Objective 2:**

**Program 3: Long Term Care**

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 3:** To provide appropriate Medicaid reimbursement for residents of Intermediate Care Facilities for The Mentally Retarded and Infant Infirmaries

## Measure

| <u>Number</u> | <u>Performance Indicators</u>                              | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u>  |
|---------------|--|----------------------|------------------------|--|
| 1             | Average Monthly recipient Caseload - ICF/MR                | 575                  | 588                    | Target and Final are Unduplicated count, not average monthly |
| 2             | Average Monthly cost per Medicaid eligible client - ICF/MR | \$5,053              | \$4,986                |  |

**Comments on performance matters related to Objective 3:**

**Program 4:** Hospital/Medical Services

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 1:** To improve access to Inpatient Hospital services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

## Measure

| <u>Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------|--|----------------------|------------------------|-----------------|
| 1             | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program           | 100%                 | 100%                   | See below       |
| 2             | Participation as a percentage of program budget  | 100%                 | 99.65%                 |                 |
| 3             | Continued federal state plan approval  | Yes                  | Yes                    |                 |
| 4             | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program      | 100%                 | 100%                   |                 |
| 5             | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100%                 | 100%                   |                 |
| 6             | Percent of Program Eligibles receiving Inpatient Hospital Services   | 16%                  | 14.09%                 |                 |

**Comments on performance matters related to Objective 1:**

Performance Indicator 1 has been clarified in the SFY 2005-2009 plan to indicate what is being measured. The revised performance indicator states "Percentage of Medicaid participants eligible for Arkansas ConnectCare Managed Care Program that have a Medical Home".

**Program 4: Hospital/Medical Services**

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 2:** To improve access to Mental Health services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

| <u>Measure Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u> | <u>FY04 Actual</u> | <u>Comments</u> |
|-----------------------|--|----------------------|--------------------|-----------------|
| 1                     | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program           | 100%                 | 100%               | See below       |
| 2                     | Participation as a percentage of program budget  | 100%                 | 99.65%             |                 |
| 3                     | Continued federal state plan approval  | Yes                  | Yes                |                 |
| 4                     | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program      | 100%                 | 100%               |                 |
| 5                     | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100%                 | 100%               |                 |
| 6                     | Percent of Program Eligibles receiving Mental Health Services  | 12.4%                | 7.01%              | See below       |

**Comments on performance matters related to Objective 2:**

1. Performance Indicator 1 has been clarified in the SFY 2005-2009 plan to indicate what is being measured. The revised performance indicator states "Percentage of Medicaid participants eligible for Arkansas ConnectCare Managed Care Program that have a Medical Home".
2. In the Interim Report, DMS identified a problem with the target established for item 6. One segment of the population had been duplicated and the request was made to revise the percentages. The requested revision for SFY 04 was to be 7.93%.

**Program 4:** Hospital/Medical Services

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 3:** To improve access to Outpatient Hospital services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

| <u>Measure Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u> | <u>FY04 Actual</u> | <u>Comments</u> |
|-----------------------|--|----------------------|--------------------|-----------------|
| 1                     | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program           | 100%                 | 100%               | See below       |
| 2                     | Participation as a percentage of program budget  | 100%                 | 99.65%             |                 |
| 3                     | Continued federal state plan approval  | Yes                  | Yes                |                 |
| 4                     | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program      | 100%                 | 100%               |                 |
| 5                     | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100%                 | 100%               |                 |
| 6                     | Percent of Program Eligibles receiving Outpatient Hospital Services  | 38.2%                | 35.68%             |                 |

**Comments on performance matters related to Objective 3:**

Performance Indicator 1 has been clarified in the SFY 2005-2009 plan to indicate what is being measured. The revised performance indicator states "Percentage of Medicaid participants eligible for Arkansas ConnectCare Managed Care Program that have a Medical Home".

**Program 4:** Hospital/Medical Services

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 4:** To improve access to Other Care Services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

| Measure       |  |                      |                    |                 |
|---------------|--|----------------------|--------------------|-----------------|
| <u>Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u> | <u>FY04 Actual</u> | <u>Comments</u> |
| 1             | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program           | 100%                 | 100%               | See below       |
| 2             | Participation as a percentage of program budget  | 100%                 | 99.65%             |                 |
| 3             | Continued federal state plan approval  | Yes                  | Yes                |                 |
| 4             | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program      | 100%                 | 100%               |                 |
| 5             | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100%                 | 100%               |                 |
| 6             | Percent of Program Eligibles receiving Other Care Services   | 74%                  | 87.86%             |                 |

**Comments on performance matters related to Objective 4:**

Performance Indicator 1 has been clarified in the SFY 2005-2009 plan to indicate what is being measured. The revised performance indicator states "Percentage of Medicaid participants eligible for Arkansas ConnectCare Managed Care Program that have a Medical Home".

**Program 4:** Hospital/Medical Services

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 5:** To improve access to Waiver services for Arkansas Medicaid eligibles and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

## Measure

| <u>Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------|--|----------------------|------------------------|-----------------|
| 1             | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program           | 100%                 | 100%                   | See below       |
| 2             | Participation as a percentage of program budget  | 100%                 | 99.65%                 |                 |
| 3             | Continued federal state plan approval  | Yes                  | Yes                    |                 |
| 4             | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program      | 100%                 | 100%                   |                 |
| 5             | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100%                 | 100%                   |                 |
| 6             | Recipients served by Home and Community Based Waivers  | 13824                | 12,832                 |                 |

**Comments on performance matters related to Objective 5:**

Performance Indicator 1 has been clarified in the SFY 2005-2009 plan to indicate what is being measured. The revised performance indicator states "Percentage of Medicaid participants eligible for Arkansas ConnectCare Managed Care Program that have a Medical Home".



**Program 4:** Hospital/Medical Services

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 6:** To provide eligible recipients in the ARKids First B and SCHIP Program with access to health care services and to continue to explore, develop and evaluate options for providing health care in the least restrictive environment

| <u>Measure Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u> | <u>FY04 Actual</u> | <u>Comments</u> |
|-----------------------|--|----------------------|--------------------|-----------------|
| 1                     | Percentage of Medicaid eligible participants enrolled in the Arkansas ConnectCare Managed Care Program           | 100%                 | 100%               | See below       |
| 2                     | Participation as a percentage of program budget  | 100%                 | 96.89%             |                 |
| 3                     | Continued federal state plan approval  | Yes                  | Yes                |                 |
| 4                     | Continued access to the ConnectCare primary care network of 1800 providers enrolled in the Medicaid Program      | 100%                 | 100%               |                 |
| 5                     | Percentage of rates set according to the reimbursement methodology in the federally approved Medicaid State Plan | 100%                 | 100%               |                 |
| 6                     | Percent of ARKids First B and SCHIP Program Eligibles receiving Services   | 88%                  | 89.50%             |                 |

**Comments on performance matters related to Objective 6:**

Performance Indicator 1 has been clarified in the SFY 2005-2009 plan to indicate what is being measured. The revised performance indicator states "Percentage of Medicaid participants eligible for Arkansas ConnectCare Managed Care Program that have a Medical Home".

**Program 5:** Tobacco Settlement Medicaid Expansion Program

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 1:** To provide expanded Medicaid coverage and benefits to pregnant women

| <u>Measure<br/>Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------------------|--|----------------------|------------------------|-----------------|
| 1                         | Unduplicated number of pregnant women receiving services provided under the Tobacco Settlement | 2050                 | 1,799                  |                 |
| 2                         | Continued federal state plan approval  | Yes                  | Yes                    |                 |
| 3                         | Percent of administrative costs & positions compared total program costs                       | 0.5%                 | 0.43%                  |                 |

**Comments on performance matters related to Objective 1:**

**Program 5:** Tobacco Settlement Medicaid Expansion Program

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 2:** To provide expanded inpatient hospital benefits to adults aged nineteen (19) to sixty-four (64).

| <u>Measure<br/>Number</u> | <u>Performance Indicators</u>   | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------------------|---|----------------------|------------------------|-----------------|
| 1                         | Unduplicated number of adults receiving expanded inpatient services provided under the Tobacco Settlement | 44500                | 37,146                 |                 |
| 2                         | Continued federal state plan approval   | Yes                  | Yes                    |                 |
| 3                         | Percent of administrative costs & positions compared total program costs                                  | 0.5%                 | 0.43%                  |                 |

**Comments on performance matters related to Objective 2:**

**Program 5:** Tobacco Settlement Medicaid Expansion Program

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 3:** To provide expanded coverage and benefits to adults aged sixty-five (65) and over.

| <u>Measure<br/>Number</u> | <u>Performance Indicators</u>  | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------------------|--|----------------------|------------------------|-----------------|
| 1                         | Unduplicated number of adults aged 65 and over receiving expanded services provided under the Tobacco Settlement | 2800                 | 3,516                  |                 |
| 2                         | Continued federal state plan approval  | Yes                  | Yes                    |                 |
| 3                         | Percent of administrative costs & positions compared total program costs   | 0.5%                 | 0.43%                  |                 |

**Comments on performance matters related to Objective 3:**

**Program 5:** Tobacco Settlement Medicaid Expansion Program

**Goal 1:** To provide quality health care services to enrolled participants in DMS programs and to increase awareness and improve access to DMS services

**Objective 4:** To create and provide a limited benefit package of Medicaid coverage and benefits to adults aged nineteen (19) to sixty-four(64).

## Measure

| <u>Number</u> | <u>Performance Indicators</u>   | <u>Annual Target</u> | <u>FY04<br/>Actual</u> | <u>Comments</u> |
|---------------|---|----------------------|------------------------|-----------------|
| 1             | Continued federal state plan approval   | Yes                  | Not<br>Implemented     |                 |
| 2             | Percent of administrative costs & positions compared total program costs                                    | 0.5%                 | Not<br>Implemented     |                 |
| 3             | Unduplicated number of adults aged 19-64 receiving a limited benefit package through the Tobacco Settlement | not<br>implemented   | Not<br>Implemented     |                 |

**Comments on performance matters related to Objective 4:**